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ABSTRACT

A survey of state Temporary Assistance for Needy Families (TANF) policies toward postsecondary training or education (PSE) shows that at least 40 states allow more access to PSE than would be countable under the House-passed reauthorization bill (H.R.4737). If it were enacted, these states would likely have to change their policies to reduce access to avoid penalties. Further, at least 23 states allow more access than is countable toward federal work rates under current law, possibly because of the caseload reduction credit. If in reauthorization Congress increases effective work participation rates by changing the caseload reduction credit and the rates themselves and does not extend the time that training counts toward work rates, these 23 states are also likely to have to reduce access to PSE. Extending the amount of time that vocational education and training counts toward federal work rates, from 12 to 24 months, would allow most states to continue their current policies. Despite recent research on welfare-to-work strategies that shows access to training is an essential component if programs are to have a lasting impact, current law discourages states from placing recipients in training because of the limits on the extent to which vocational training counts toward work rates and because of the emphasis on caseload reduction. (The two-page report is followed by two tables: state TANF policies toward PSE, and PSE as TANF work activity by state.) (YLB)

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Forty States Likely to Cut Access to Postsecondary Training or Education Under House-Passed Bill

June 19, 2002

A new survey of state Temporary Assistance for Needy Families (TANF) policies toward postsecondary training or education shows that at least 40 states¹ currently allow more access to these services than would be countable under the House-passed reauthorization bill (H.R. 4737). If H.R. 4737 were enacted, these states would likely have to change their policies to reduce access to avoid penalties.² Further, at least 23 states³ allow more access than is countable toward federal work rates under current law, something that is possible only because of the caseload reduction credit. If in reauthorization Congress increases effective work participation rates by changing the caseload reduction credit and the rates themselves, and does not extend the time that training counts toward work rates, then these 23 states are also likely to have to reduce access to postsecondary training or education.

By contrast, extending the amount of time that vocational educational training counts toward federal work rates, from 12 months to 24 months, would allow most states to continue their current policies even if effective participation rates increase somewhat. This additional time is needed because while most recipients in postsecondary training or education are in one-year occupational certificate programs, it typically takes them longer than a year to complete because they must often take remedial reading, writing, and math courses before starting skills training.² For the relatively small number of recipients who are able and interested in pursuing a degree, the proposed state option in the Pathways to Self-Sufficiency bill (S. 2552) would give them an important opportunity to benefit from extended postsecondary education.

A review of recent research on welfare-to-work strategies by the Center for Law and Social Policy shows that access to training is an essential component if programs are to have a lasting impact. The welfare-to-work programs most successful in helping parents work more and earn more over the long run are those that have focused on employment but made substantial use of education and training. One of these “mixed strategy” programs — in Portland, Oregon — far outperformed other welfare-to-work programs by increasing employment, earnings, job quality, and employment stability over the long term. Portland

¹ Alabama, Alaska, Arizona, Arkansas, California, Connecticut, Delaware, District of Columbia, Georgia, Hawaii, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Michigan, Minnesota, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, North Carolina, North Dakota, Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Texas, Utah, Vermont, Virginia, West Virginia, and Wyoming.

² From a May 2002 national survey of state TANF policies toward postsecondary training or education conducted by Julie Strawn, Vani Sankarapandian, Hedieh Rahmanou, Elise Richer, Steve Wamhoff, and Randi Schmidt. This is a conservative estimate as it excludes states where TANF work policies are locally determined and it is likely that a number of localities in those five states would be affected. See attached Table 1 and Table 2. The analysis of how current state policies compare to the House-passed bill and to current federal law also uses data on TANF hourly work requirements from the State Policy Documentation Project (available at www.spdp.org).

³ Alabama, Arizona, Arkansas, California, Delaware, Georgia, Hawaii, Illinois, Iowa, Kentucky, Maine, Michigan, Minnesota, Missouri, Montana, Nebraska, New Mexico, North Carolina, Rhode Island, Utah, Vermont, West Virginia, and Wyoming.

also greatly increased participation in postsecondary education and training and receipt of occupational credentials. Other studies also show that helping low-income parents gain access to training pays off in the labor market, even for those who begin without a high school diploma. While it can take more than a year on average to participate in both basic education and skills training, it is a worthwhile investment because the payoff is much larger than basic education or job search alone can provide.⁴

Yet despite this research, current law discourages states from placing recipients in training because of the limits on the extent to which vocational training counts toward work rates and because of the emphasis on caseload reduction. A new study from the Census Bureau shows that in 1998 only about 10 percent of TANF recipients were in job skills training.⁵ In 2000, according to the U.S. Department of Health and Human Services, less than one percent of TANF funds were spent on education and training.⁶

⁴ Karin Martinson and Julie Strawn, *Built to Last: Why Skills Matter for Lasting Success in Welfare Reform*, Washington, DC: CLASP, May 2002. Available at www.clasp.org.

⁵ U.S. Census Bureau, *Work and Work-Related Activities of Mothers Receiving Temporary Assistance to Need Families: 1996, 1998, and 2000*, Washington, DC: U.S. Census Bureau, May 2002.

⁶ Mark Greenberg, *How Are TANF Funds Being Used? The Story in FY 2000*, Washington, DC: CLASP, revised October 2001. Available at www.clasp.org.

State TANF Policies Toward Postsecondary Training or Education (PSE)
 (states in bold are preliminary data)

PSE alone satisfies work requirement for more than 12 months (14 states)	PSE alone <i>may</i> satisfy work requirement but may have to combine it with other work activities	PSE alone does not satisfy work requirement; must participate in additional work activity	PSE never counts toward work requirement (4 states)
Arizona Georgia Iowa Kentucky Maineⁱ Minnesota Missouri Nebraska New Mexico^j Rhode Island Utah Vermont^k West Virginia^j Wyoming	Can count participation in PSE for more than 12 months (5 states) Alabama Arkansas California Illinois North Carolina	Can count participation in PSE for more than 12 months (12 states) Delaware District of Columbia Hawaii Kansas Michigan Montana New Hampshire New Jersey South Carolina South Dakota Tennessee Virginia	Massachusettsⁱⁱ Mississippi Oklahoma Wisconsin
PSE alone satisfies work requirement for 12 months or less (5 states)		For 12 months or less (2 states) Louisiana North Dakota	Determined by locality (5 states) Idaho Indiana Texas Washington
			For 12 months or less (4 states) Alaska Connecticut ⁱⁱⁱ Nevada Oregon ^{iv} Pennsylvania ⁱⁱ

Sources: May 2002 survey of states by the Center for Law and Social Policy, updating earlier data from the State Policy Documentation Project (SPDP), a joint project of the Center for Law and Social Policy and the Center on Budget and Policy Priorities. For this table, postsecondary training or education includes any programs beyond the high school level except where noted. See Table 2 for details of state policies. Tribal programs and small pilot programs are excluded from the table.

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ⁱ Through a separate state program funded by TANF state MOE. Participants are not subject to the TANF work requirement, but are subject to other requirements related to participation in school and employment. West Virginia also allows postsecondary training or education alone to satisfy requirements within the TANF program.

ⁱⁱ Individuals who are exempt from the work requirement may receive support services for education or training.

ⁱⁱⁱ Connecticut permits program participants to participate in 4-6 month-long certificate programs or other programs that do not lead to a degree.

^{iv} In Oregon, short-term, vocationally-specific training is countable and limited to 9 months or less.

^v Local workforce boards have the authority to allow extended education and training, if the locality continues to meet overall federal work rates.

^{vi} Determined locally but not to exceed 12 months as a stand-alone activity. Up to two years of postsecondary education is allowable if approved by district and combined with work.

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Table 2 – June 2002
Postsecondary Training or Education (PSE) as TANF Work Activity
(States in **bold** are preliminary data)¹

State	Can individuals fulfill TANF work requirement through PSE?	Is there a time limit on PSE fulfilling the work requirement?	Additional information
Alabama	Yes Whenever possible the individual should meet the hourly work requirement in addition to attending school.	No	Individual must attend regularly and make satisfactory progress as defined by the educational institution.
Alaska	Yes; no other activity required.	Yes Generally limited to 12 months, with exceptions at caseworker discretion.	
Arizona	Yes No other activity required for full-time students in good standing and making satisfactory progress.	No	Open to individuals who are full-time students in good standing and making satisfactory progress.
Arkansas	Yes Whenever possible, the individual will also engage in an employment activity.	No	Open to individuals for whom it is determined appropriate and who meet the minimum requirements for the particular course of study.

¹SOURCES: May 2002 survey of states by the Center for Law and Social Policy, updating earlier data from the State Policy Documentation Project (SPDP), a joint project of the Center for Law and Social Policy and the Center on Budget and Policy Priorities. For this table, postsecondary training or education includes any programs beyond the high school level except where noted. Tribal programs and small pilot programs are excluded from the table.

State	Can individuals fulfill TANF work requirement through PSE?	Is there a time limit on PSE fulfilling the work requirement?	Additional information
California	Yes May be required to combine with other activities to meet hourly work requirement.	Yes Limited to 18 or 24 months, depending on when the recipient began receiving aid.	State funds support TANF participation in community college programs through work-study jobs, on-campus coordinators, child care, program redesign, and job placement services.
Colorado	County Discretion	No	Limited to certificate programs; associate and bachelor's degree programs do not fulfill work requirements. Countable programs are classified as vocational education and are typically between four to six months in duration. Participation in such certificate programs count as stand-alone work activities if they are for 30 hours a week.
Connecticut	Yes	Yes Generally four to six months.	
Delaware	Yes Weekly credit and work hours combined must equal 20.	No	Must have full-time student status, is limited to no more than a bachelor's degree (no graduate degrees), and persons can meet the work requirement through participation in internships, work-study, externships or as a research assistant. Open to individuals who do not already hold a bachelor's degree.
District of Columbia	Yes Must participate in other work activities to meet hourly requirement.		
Florida	Yes; no other activity required. Allowable and countable as vocational education for up to 12 months.	Yes Generally 12 months; longer if part of a local workforce development plan approved by the state workforce board.	

State **Can individuals fulfill TANF work requirement through PSE?** **Is there a time limit on PSE fulfilling the work requirement?**

			Additional information
Georgia	Yes May be supported with no other activity required, with supervisory approval.	No	Open to individuals already enrolled in a course of study directly related to a job and who maintain a 2.0 GPA. Graduate school can be approved if necessary to reactivate a professional certificate.
Hawaii	Yes	No	Full-time students must participate 20 hours a week, of which at least four hours must be employment. Part-time students must engage in 32 hours of activity per week of which a portion is postsecondary education.
Idaho	Yes Must also participate in other work activities.	Yes 12 months	Postsecondary education counts as a work activity for up to 12 months if the education leads directly to employment, and the individual is also participating in other work activities.
Illinois	Yes May have to combine postsecondary activities with other work activities; this determination is made on a case-by-case basis.	No	Open to individuals with a high school diploma or GED, aptitude, ability, and interest. Associate or bachelor's programs only (no advanced degrees). There must be jobs available in the field of study and in the local job market.
Indiana	Yes* Part-time work required in work-study, unsubsidized or subsidized employment, job search, work experience, or on-the-job training.	Yes 12 months	Open to individuals in self-initiated education who are making satisfactory progress and working part-time.

State	Can individuals fulfill TANF work requirement through PSE?	Is there a time limit on PSE fulfilling the work requirement?	Additional information
Iowa	Yes No other activity required for full-time students.	No	Participants are expected to maintain a full-time academic workload and complete their training within the minimum time frames specified for a given training program. Allowable expenses can be authorized for 24 months only.
Kansas	Yes* Must participate in other work activity to meet hourly requirement.	No	College courses may be approved if short term, job focused and skill specific. Courses directed at an associate or bachelor's degree are not approvable except by the EES Chief on a case-by-case basis. Courses directed at a post-graduate degree are not approvable at all.
Kentucky	Yes; no other activity required.	Yes 24 months, may continue after that if combine with 20 hours per week in a countable work activity.	State law requires state agency to have at least 7% of the caseload participating in postsecondary education or training. Child care aid is available to a TANF cash assistance Program or "K-TAP" recipient in school, whether or not working. The Ready-to-Work initiative provides short-term training opportunities, both on-campus and off-campus, through work study programs with private and non-profit employers that helps prepare them for the workplace. \$250 bonuses are given for completing educational programs.
Louisiana	Yes If it meets the vocational education policy or hourly participation requirement has been met.	Yes 12 months	

State

Can individuals fulfill TANF work requirement through PSE?

		Is there a time limit on PSE fulfilling the work requirement?	Additional information
Maine	Yes; no other activity required. In a separate state programs, Parents as Scholars.	Yes Students are expected to complete their program within the amount of time it takes a full-time student to complete. However, if there is good cause, they can take up to 1.5 times the time it would ordinarily take.	Open to TANF-eligible parents enrolled in two- or four-year degree granting programs. Individuals must show that s/he does not have a marketable degree; does not have skills to earn 85% of the state median wage; education will improve ability to support family; and has the aptitude to succeed in the program.
Maryland	County discretion Local TANF departments have flexibility to allow college courses alone or in combination with work.	No Local department determines time limit. Postsecondary education and training is generally two years, but local departments have the flexibility to extend.	Open to individuals who are engaged in a course of study that will lead directly to a job and who maintain a C average.
Massachusetts	No Must first meet work requirement unless exempt.	N/A	TANF recipients who are exempt from work requirements may be in postsecondary up to the associate degree level and receive child care assistance.
Michigan	Yes Must be (1) employed a minimum of 10 hours per week and meet the federal hourly requirement through a combination of work, classroom, and study time; OR, (2) be enrolled in an "enhanced technical vocational training program."	Yes 12 months	
Minnesota	Yes; no other activity required.* Must be included in the participant's employment plan.	Yes 24 months	

State	Can individuals fulfill TANF work requirement through PSE?	Is there a time limit on PSE fulfilling the work requirement?	Additional information
Mississippi	No	N/A	
Missouri	Yes; no other activity required. Counties have discretion to allow participation in four-year degree programs.	No Federal TANF time limits continue to apply, however, unless exempted by division rule.	Open to individuals who are making progress toward completion of the program. Class time and study time will apply toward the weekly work requirement.
Montana	County Screened/Statewide Criteria	No	Open to individuals who locally pass statewide screening criteria. Individuals required to work 10 hours per week in addition to PSE program. Individuals must be in good standing with academic requirements.
Nebraska	Yes No other activity required for year round, full-time students in good standing and making satisfactory progress. If less than full time or not year round, must supplement with other work activities if necessary to meet the hourly requirement.	Yes 24 months; Allows two- and four-year programs except policy requires that the client be able to complete the educational or training program within the state's 24-month time limit for cash assistance or the number of time limited months the client has remaining.	Open to individuals who do not otherwise have a skill that can be marketed and can be reasonably expected to provide a wage leading to economic independence in the current, area-specific labor market.
Nevada	Yes; no other activity required.*	Yes 12 months	Open to those who are within 12 months of completing a degree program or in a program meeting the definition of vocational educational training.

State **Can individuals fulfill TANF work requirement through PSE?**

Is there a time limit on PSE fulfilling the work requirement?

			Additional information
New Hampshire	Yes*	No more than three years part time, or two years full time, to complete up to an associate degree.	Open to individuals who meet five specific assessment and potential success criteria, including lack of immediate marketability of their skills, education, and experience; ability to successfully complete a postsecondary program; inability to attain self-sufficiency without the postsecondary program; and currently available job opportunities in the local labor market in the field of the postsecondary program.
New Jersey	Yes*	Must supplement with other work activities.	Open to individuals with a high school diploma or GED. Postsecondary educational programs must lead to a recognized college credential such as a certificate, license, associate degree, etc., in a recognized career for which there is or will be a demand in the NJ labor market.
New Mexico	Yes	No other activity required in Education Works, a separate state program. In TANF must be combined with 20 hours of work.	In Education Works, participants must maintain a 2.5 GPA. During the summer, they must continue education or return to TANF.
New York	County Discretion*	May not exceed 12 months as a stand-alone activity or up to two years when combined with work.	Participants must maintain satisfactory progress and may be assigned to other activities as appropriate.

State **Can individuals fulfill TANF work requirement through PSE?**

		Is there a time limit on PSE fulfilling the work requirement?	Additional information
North Carolina	Yes May be required to participate in another approved work activity to meet hourly requirement.	No	Students must maintain a 2.5 GPA.
North Dakota	Yes May be required to participate in another approved work activity to meet hourly requirement.	Yes 12 months; individuals meeting the hourly requirement in another approved activity may receive support services for an additional 12 months.	Open to individuals who demonstrate a lack of marketable skills, are in training that will result in a marketable skill, have the capacity to complete the training, and become employed in a job applying the education.
Ohio	County Discretion May have to combine with other allowable work activities to meet hourly requirement; county discretion to allow education alone to meet the participation requirement for up to 24 months.	No	
Oklahoma	No	N/A	
Oregon	Yes	Yes Nine months	Vocationally specific short-term training is normally authorized for nine months or less. The nine-month limit on vocational training also applies to participants who are working.

State **Can individuals fulfill TANF work requirement through PSE?**

		Is there a time limit on PSE fulfilling the work requirement?	Additional information
Pennsylvania	Yes; no other activity required.	<p>Yes</p> <p>Within the first 24 months of TANF receipt, PSE is allowable for 12 months by itself. May continue for up to 24 months if combined with some other work-related activity.</p>	<p>Good cause for not meeting the work requirement while participating in PSE may be granted between 24 months to 30 months to individuals who:</p> <ol style="list-style-type: none"> 1) Started their education during the first 24 months of TANF 2) Participated for at least 9 credit hours or a minimum of 270 hours (not necessarily consecutive) of work or training spread over at least nine months within the first 24 months. 3) Participate at least 20 hours/week through the combination of instruction time, lab hours, and work activity. 4) When completing the program will receive a degree or a certificate. <p>PSE may continue after 30 months if combined with 20 hours/week of work. The individual may receive appropriate special allowances for support services or child care special allowances at any time during their education if the RESET requirements appropriate to the months of TANF received are being met.</p>
Rhode Island	Yes; no other activity required.	<p>Yes</p> <p>36 months</p>	<p>Open to individuals for whom the education program is likely to result in employment at wages sufficient to eliminate eligibility for cash assistance.</p>
South Carolina	Yes Must supplement with other work activities if necessary to meet the hourly requirement.	<p>Yes</p> <p>24 months (unless the recipient meets the criteria for an extension up to 30 months)</p>	

State **Can individuals fulfill TANF work requirement through PSE?** **Is there a time limit on PSE fulfilling the work requirement?**

			Additional information
South Dakota	Yes Must combine work program activities with credit hours (maximum of 15) to meet the hourly requirement.	Yes 24 months	Limited to individuals 1) who lack a marketable skill or whose earnings can be improved by the educational program, 2) whose potential earnings at completion of the program are at least 125% of the poverty level, and, 3) who maintain a 2.5 GPA.
Tennessee	Yes Must combine with other activities to meet hourly requirement of 40 hours per week.	No With limited exceptions (e.g., when actual class hours are 20 or more).	Some limits on the type and duration of postsecondary training apply for individuals on a time limit extension or those nearing time limits. Individuals receive cash bonuses for completion of job training programs. In postsecondary, this is \$100 for completion of job training. Study hours are counted as part of work participation hours.
Texas	Yes Postsecondary education must be considered vocational education in order to count towards the work requirement (proposed rules effective July 1, 2002). Must combine with other activities to meet hourly requirement.	Yes 12 months	Open to individuals in self-initiated or vocational postsecondary programs who can complete the program within 12 months.
Utah	Yes; no other activity required.	Yes 24 months	Open to individuals who can complete a program within 24 months.

State	Can individuals fulfill TANF work requirement through PSE?	Is there a time limit on PSE fulfilling the work requirement?	Additional information
Vermont	Yes In TANF, must combine with other activities to meet hourly requirement of 40 hours per week. Different requirements apply to those in the separate state program for parents in postsecondary education.	Yes 12 months in TANF	<p>Participation under TANF is limited to qualified individuals who have not postsecondary degrees or certificates of completion of a vocational education program.</p> <p>Participation in the separate state program does not count toward TANF work requirement and participants are not subject to TANF requirements. Separate state program is limited to one adult in families with incomes below 150% of the poverty line. The student may not work more than 20 hours per week while in school. For five years after earning a degree, student is barred from more than 12 months of TANF assistance (with exceptions). In two-parent families, the second parent does have a work requirement.</p>
Virginia	Yes Concurrent work activity is required.	Yes 24 months	<p>Open to individuals with high school diploma or GED, but no postsecondary certificate or degree. Education must be completed within 24 months and must relate to jobs in community.</p>
Washington	Yes Must combine with 20 hours of work, except for High Wage/High Demand training in health care and information technology occupations where no other activity is required for first 12 months.	Yes 12 months for High Wage/High Demand training and degree completion in health care and information technology occupations.	<p>TANF funds support work-study positions for recipients in college and provide tuition assistance to employed TANF recipients, former recipients, and other low-income parents who are not eligible for federal financial aid.</p>

State **Can individuals fulfill TANF work requirement through PSE?** **Is there a time limit on PSE fulfilling the work requirement?**

				Additional information
West Virginia	Yes In separate state program, individual must also participate at least 10 hours per week in a work activity.	No	N/A	Open to individuals who are in a two-year or four-year college undergraduate program full time and are making satisfactory academic progress. Separate state program is limited to approximately 350 students.
Wisconsin	No			
Wyoming	Yes; no other activity required.	No		Open to individuals who have been Wyoming residents for at least two years and who were employed at least 32 hours per week prior to enrollment.

*Participation in four-year degree programs does not fulfill the work requirement.



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